I am not sure that the technology is available to counter that missile threat.

As we look at some of the other missile threats to the United States, including to my State of Alaska and to Hawaii, we find we are in the range of some of those, which the rest of the United States is not in the range of. I do not think Hawaii and Alaska are expendable, although some of my colleagues may differ from time to time.

Since 1994, China has mounted a series of military exercises near Taiwan. In September and October 1994, the People's Liberation Army conducted combined air, land, and sea exercises on Chou Shan Island, about 60 miles south of Quemoy. At that time, Assistant Secretary of State Winston Lord described these exercises as ''the most expansive * * * that China has conducted in 40 or 50 years.'' In June and July of last year, the PLA conducted more exercises, including firing four medium range M–9 missiles—the first time China had used missiles to threaten an opponent. Right before the Legislative Yuan elections in November, China conducted large-scale combined-arms, amphibious and airborne assault exercises designed to simulate an invasion of Taiwan.

Then, on the eve of the first direct democratic presidential election in Taiwan, China began a series of three more tests. First, China fired four more M–9 missiles into closures within 25 to 35 miles of the two principal northern and southern ports of Taiwan. China followed the missile tests with live ammunition war games in a 2,390-square-mile area in the southern Taiwan Strait, followed by another live ammunition exercise between the Taiwan islands of Matsu and Wuchu.

China may not yet have the capability to invade and conquer the Republic of China on Taiwan, but it does have the capability to do significant harm by mining ports, undertaking a limited blockade with its 5 nuclear-powered and 45 conventional-powered attack submarines, and conducting a terror campaign with missiles capable of carrying nuclear or chemical warheads. Taiwan lacks a reliable missile defense and has only two modern conventional submarines.

I do not consider myself an expert on defense matters, but it appears that Taiwan needs additional deterrence capability, especially with regard to missile defenses. I commend the Clinton administration for sending our carriers into the area of the Taiwan Strait recently to monitor China's war exercises. This exercise should put the Defense Department in a very good position to evaluate the threat to Taiwan from China in determining the level of future arms sales.

Mr. President, I only hope that the diplomats in the State Department do not ignore the military reality in making decisions about future arms sales to Taiwan because of a fear of China's reaction. But, unfortunately, that is what I believe is the driving force behind the veto threat. The administration states that section 1601 ''would be seen as a repudiation of a critical and stabilizing element of longstanding U.S. policy toward China, increasing risks at a time of heightened tensions.''

Mr. President, the most critical element in U.S. policy toward China is the peaceful resolution of Taiwan's future. If China, by force, repudiates that element, then the basis of the United States' one-China policy is simply stripped away.

We should recognize that that provision in the Foreign Relations Authorization Act does not repudiate U.S. policy, it reaffirms it. I call on the administration to drop this veto threat and implement the law as required.

Mr. President, I am grateful to my good friend from Arkansas, who has accommodated me and my schedule. I thank the floor manager.

Mr. PRYOR addressed the Chair.

The PRESIDING OFFICER. The Senator from Arkansas.

THE DEBT CEILING LEGISLATION

Mr. PRYOR. I thank the Chair. Mr. President, I am going to revert back to a measure that we just passed in the Senate, I think, less than an hour ago, which is the debt ceiling legislation.

On that legislation, the distinguished Senator from Arizona, Senator MCCAIN, had included an amendment he had long fought for, and I support that amendment very strongly, Mr. President. That was an amendment relative to the social security earnings test. It was on that particular amendment that I had told the leadership in times past that should that amendment come to the floor, I was going to attempt to amend that particular provision with a measure that would basically clear up, once and forever more, a mistake we made in the GATT Treaty legislation that we passed last year in the U.S. Senate.

In other words, Mr. President, I was going to use that as a vehicle to amend this provision, which allows one particular drug company—Glaxo, for example—to absolutely continue taking advantage of not only the taxpayer, but also the consumer, the aging American, taking this particular drug called Zantac, and prohibiting, precluding generic competition from coming into the marketplace.

Mr. President, on December 13, 1995, I received a letter from my friend and colleague, the distinguished chairman of the Judiciary Committee. In the letter it says, ''Please be assured that I intend to honor my commitment. I will begin a hearing on pharmaceutical patent issues February 27, 1996, and I plan to hold a markup by the end of March.''

Well, Mr. President, our friend and colleague, the distinguished chairman of the Judiciary Committee, Senator HATCH, did in fact hold a hearing on February 27, 1996. However, the markup on this particular matter, the Glaxo issue, has not been scheduled. It has not been scheduled for any time in March. To the best of my knowledge, it has not been scheduled for April, May, and who knows—I just hope it will be scheduled someday.

But what is at issue is this fact: Every day we refuse in the Senate and in the House of Representatives, the other body, to correct this mistake that we made through this system, in not clearing up the issue of the patent extension for this particular drug company, and about six other drug companies, every day that we refuse, every day that we delay, Mr. President, we are fattening their pocketbooks to the extent of $5 million a day. That is $5 million each day that is being paid for by the consumer, the taxpayer, the Veterans Administration, the HMO's, right on down the line—any consumers that buy Zantac. We have been told that a generic that is ready to go into the marketplace immediately could absolutely walk into that marketplace today, begin competition with Zantac at one-half of the price of this prescription drug. But, Mr. President, we have refused to do it. We have had a vote in December, and we failed by two votes to get enough votes in this body to close this loophole and to state that we are no longer going to continue this very major windfall for one or two or three drug companies.

We made a mistake. We extended all patents from 17 to 20 years in GATT, and we said that a generic company could market their product on the 17-year expiration date, if they already made a substantial investment and were willing to pay a royalty.

We think that is a fair balance of interest. The other thing we did in GATT was that we said we are going to allow every human, every company, every product to have the same extension of their patent rights. However, we set out a perfectly illegitimate reason to give to a few drug companies a unique opportunity to not be included in the GATT legislation. So, therefore, we excluded a few pharmaceutical manufacturers, and we said to them that you are going to have an extra 3 years on your patent. You are not going to have any competition whatsoever in this particular drug marketing and in the sales of the particular drug.

During the February hearing held by Senator HATCH, the chairman of the Judiciary Committee, we had the evidence, we had the testimony of our U.S. Trade Ambassador, Ambassador Kantor, we had the Patent Office, and we had everyone representing this administration that we could think of say that this was never intended to be a part of the GATT Treaty. The negotiators never intended to carve out a special reason, or a special status, for a very few—if I might say, a handful—of drug manufacturers.

Mr. President, during that testimony that day in late February of 1996, during all of the discussions that we have

held on the floor of the U.S. Senate, during the committee meetings that have been addressing this issue, including the Finance Committee, there is not one scintilla of evidence—not one—that one individual has ever maintained that this was a deliberate act by the negotiators, that this was a deliberate act by the Congress of the United States to carve out this special exemption for a handful of drug manufacturers.

We have competition ready to come to the marketplace. We have cheaper prices ready to be able to come into the marketplace to provide quality drugs at competitive prices—more than competitive prices. For us to believe that we can continue this great windfall, I think is very wrong indeed.

I urge the chairman of the Judiciary Committee to proceed forthwith with a markup for this particular issue. He knows what the issues are.

Mr. President, I further state that at the proper time on the proper legislative vehicle, I will offer to the Senate once again the opportunity to correct the record, once again the opportunity to set things right, because every day that we delay is another $5 million in profits to the pharmaceutical companies that make Zantac and these other drugs. We are delaying now about another 15 to 20 days at least because we are leaving on a 2-week recess tomorrow. That is another $75 million to $80 million for these drug companies in extra profits for them at this time.

We had a vote in December, and we have seen since that time and since that vote another $450 million of profits being given to them in a windfall nature.

I think the American people certainly are calling on us to be responsible to set the record straight and to admit that we made a mistake.

I am going to give the Senate—and hopefully the other body—an opportunity to correct that mistake in the very near future. I will be offering that on the first legislative vehicle that I see the opportunity to attach it to after we return from our Easter break.

Mr. President, I yield the floor.

Mr. HATCH. Mr. President, I was dismayed to hear the comments our colleague, Senator PRYOR, just made with reference to the Judiciary Committee's deliberations on the GATT/pharmaceutical patent issue.

My colleague was correct in stating that I wrote him a letter in December indicating the committee would hold a hearing and a markup on this issue.

In fact, we held a hearing on February 27 on the specific issue he raised, and 1 week later, March 5, held another hearing on the more general issue of pharmaceutical patent life at which the GATT issue was also commented upon by a number of individuals.

Perhaps my colleague was not aware, that, on Tuesday, I notified the committee that this would be a possible agenda item for markup this week. However, it was not possible to forecast the arduous, time-consuming immigration markup, which extended much longer than any of us had anticipated. In addition, Senator KENNEDY, the ranking member of the Labor Committee and a top member of Judiciary, expressed concerns about how the Judiciary Committee's agenda was conflicting with the FDA reform markup this week in Labor. Accordingly, at the outset of the Judiciary Committee's deliberations on the immigration bill this morning, I made the following statement:

> Finally, let me say a few words the Committee's consideration of how certain GATT transition rules should apply to the generic drug industry—this is the so-called GATT patent issue.
>
> This was the subject of a lengthy floor debate on December 7th and a Committee hearing on February 27th.
>
> As I have stated on a number of occasions, my preference is to achieve some sort of compromise on the issue. But this is a very complex issue that involves the confluence of three interrelated statutes: the GATT implementing law, the Federal Food, Drug, and Cosmetic Act, and the patent code.
>
> I am aware that there are discussions taking place in an attempt to fashion a compromise proposal. I have directed my staff to continue to facilitate these discussions.
>
> Frankly, the Immigration Bill has taken longer that any of us would have liked or could have planned for. It became apparent earlier this week that we would not have time to complete a GATT mark-up before Friday.
>
> We still have many amendments to dispose of on the Immigration Bill. I also know that Chairman Kassebaum's Labor Committee is in the middle of the FDA reform mark-up and that Senator Kennedy wanted to closely coordinate our schedules today. Other members have scheduling conflicts as well.
>
> For these reasons, I am announcing my intent to schedule mark-up on the GATT issue when we return from recess. I would like to consider a compromise that most of us can support. I don't think the PRYOR bill meets that test. I hope we will continue working toward an agreement over the recess.

I wish to make amply clear for the record that Senator PRYOR's staff had informed me that he did not anticipate, nor wish for, a markup on this issue in Judiciary, but rather he wished to pursue a dialogue on the floor. Thus, I was heartened to hear his remarks just now in which he stated he wanted the Judiciary Committee to mark up a bill.

Before closing, I would like to address one specific comment Senator PRYOR made. Those who advocate change in the law argue that the Congress clearly intended to achieve the results of the Pryor/Chafee/Brown amendment when we originally passed the Uruguay Round Agreements Act (URAA). They continue to argue to this day that it was merely a ''technical oversight'' which led to this ''unfair'' outcome.

I find it strange that not one person has come forward, that there has been not one shred of evidence, not one memo, nor paragraph of a memo, nor even a sentence in any document supporting Senator PRYOR's contention.

In fact, the Court of Appeals for the Federal circuit, a completely disinterested party, could find no definitive evidence on this issue at all. In the November, 1995 Royce decision, the Federal circuit stated:

> The parties have not pointed to, and we have not discovered, any legislative history on the intent of Congress, at the time of passage of the URAA, regarding the interplay between the URAA and the HATCH–Waxman Act.''

I do not wish to rehash the arguments related to the GATT at this time. It is an extraordinarily complex issue, and is not as simple as it might appear to some. It is no secret to this body that I am not supportive of the Pryor amendment as drafted in December.

What I do want to emphasize is that a fair resolution of this issue remains my priority and, as I said at the markup this morning, I am hopeful we can fashion a compromise that is acceptable to the majority of Senators. I hope that my colleagues Senators PRYOR, BROWN and CHAFEE, will be willing to work with us in that regard and I look forward to their suggestions for areas in which a resolution can be crafted.

FOREIGN RELATIONS AUTHORIZATION ACT, FISCAL YEARS 1996 AND 1997—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. MCCAIN. Mr. President, I was one of the first Members of the Senate to support Senator HELMS' efforts to consolidate U.S. foreign policy agencies. This bill does not go as far as I or many of my colleagues on the Foreign Relations Committee had hoped it would in this respect. I, and I know the chairman, had envisioned a consolidation which would require the dismantlement of three agencies—USAID, USIA, and ACDA. But just getting the bill into and out of the conference committee was a major accomplishment and I commend the chairman for it.

I support the bill and I will vote for it. A savings of $1.7 billion over 4 years and the merging into the State Department of at least one foreign policy agency is a proposition simply too good to pass up.

However, I do want to register my steadfast opposition to one particular provision in the bill. The conference report conditions funding for any expansion in United States diplomatic relations with Vietnam on Presidential certifications in a number of areas related to missing United States servicemen. The Senate wisely refrained from including similar language in its bill, and despite its several efforts to address the issue in previous legislation, the House included only sense-of-the-Congress language.

Given that neither House decided to legislate in this area, I was quite dismayed to find out that somehow during the proceedings of the conference committee, the conferees actually decided to make the House language tougher. One reasonably expects—and common